

# GEORGIA SALES AND USE TAX EXEMPTIONS

O.C.G.A. § 48-8-3

February 14, 2006

EXEMPTIONS	EXEMPTION DOCUMENTATION
(1) Sales to Federal Government, State of Georgia or any county or municipality in Georgia or any agency of such governments, when directly paid to the seller with appropriated funds.	ST-5 & Purchase Orders
(2) Tangible personal property furnished by the Federal Government or any county or municipality used by a contractor in the installation, repair, or extension of any public water, gas, or sewage system. This exemption does not apply to materials used to service a particular property.	None – Use tax exemption for contractors
(3) Federal retailer's excise tax if separately itemized to the consumer and the first motor fuel tax (.075 cents per gallon) imposed on the sale of motor fuel.	None - Requires taxes to be separately stated
(4) Sales of transportation furnished by a county or municipality's public transit system or public transit authorities.	None
(5) Sales of transportation furnished by an approved and authorized Urban Transit System.	None
(6) Sales to any Hospital Authority created by Georgia Law.	ST-5 & Purchase Orders
(6.1) Sales to any Housing Authority created by Georgia Law.	ST-5 & Purchase Orders
(6.2) Sales to local government authorities created on or after January 1, 1980 when the principal purpose is to construct and operate a coliseum.	ST-5 & Purchase Orders
(6.3) Sales to any agricultural commissions created by the Department of Agriculture.	ST-5 & Purchase Orders
(7) Sales of tangible personal property and services used specifically in the treatment function of an approved nursing home, inpatient hospice, general hospital or mental hospital when qualifying as nonprofit by the Internal Revenue Service. Application process required (Form ST-NH1)	Letter of Authorization & ST-NH2
(7.1) Sales of tangible personal property and services to a non-profit organization whose primary function is to provide services to the mentally retarded when qualifying as nonprofit by the Internal Revenue Service.	Letter of Authorization
(7.2) Sales to Georgia Society of the Daughters of American Revolution. Application process is by letter of application.	Letter of Authorization & Purchase Orders

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(8) Sales of tangible personal property and services to the University System of Georgia and all educational units.	ST-5 & Purchase Orders
(9) Sales of tangible personal property and services used exclusively in the educational function of an approved private college or university located in Georgia whose credits are accepted by the University System of Georgia. Application process is by letter of application.	Letter of Authorization & Purchase Orders
(10) Sales of tangible personal property and services used exclusively in the educational function of an approved private elementary and secondary school when qualifying as a nonprofit by the Internal Revenue Service. Application process is by letter of application.	Letter of Authorization & Purchase Orders
(11) Sales of tangible personal property and services to any cultural institute which qualifies as a nonprofit by the Internal Revenue Service; provides at least 50% of their programs through universities in Georgia; operated with foreign government funds; and is an instrumentality, agency, department or branch of a foreign government operating in Georgia. Application process is by a letter application.	Letter of Authorization & Purchase Orders
(12) School lunches sold and served to pupils and employees of public schools.	None
(13) School lunches sold and served to pupils and employees of approved private elementary and secondary schools.	None
(14) Sales of art and other artifacts for display or exhibition to museums when qualifying as nonprofit by the Internal Revenue Service. Application process is by letter of application.	Letter of Authorization
(15) Specific fundraising sales by any religious institution lasting no more than 30 days in a calendar year. The proceeds may not benefit any private person and can only be used for relief to the aged, church youth activities, religious instruction, and construction or repair of church buildings. NOTE: Purchases made by the church are subject to Georgia sales and use tax.	None
(15.1) Sales of pipe organs or steeple bells to any church qualifying as nonprofit by the Internal Revenue Service.	None

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(16) Reserved.	None
(17) Sales of fuel or consumable supplies used by ships engaged in interstate or foreign commerce.	ST-7
(18) Charges for transportation of tangible personal property made in connection with interstate or intrastate transportation. NOTE: This exemption does not apply to transportation charges that constitute part of a retail sale of tangible personal property in Georgia.	None
(19) All tangible personal property purchased outside this state by a nonresident when the property is brought into Georgia upon the nonresident becoming a resident of Georgia. This exemption does not apply to tangible personal property used in a business, profession, or trade.	None
(20) Water delivered through water mains, lines, or pipes.	None
(21) Sales, transfers or exchanges of tangible personal property resulting from a reorganization when the owners, partners or stockholders maintain the same interest or share in the new business.	None Contract Terms of Reorganization
(22) Professional, insurance, or personal service transactions which involve inconsequential elements for which no separate charge is made.	None
(23) Services of a repairman when a separate charge is made to the customer.	None
(24) Rental of videotape or film to persons charging admission to view the tape or film.	None
(25) Sale of seed fertilizer, fungicide, and other agricultural chemicals to farmers, and feed for livestock, and fish or poultry purchased by persons engaged in animal husbandry.	ST-A1
(26) Sale of machinery used exclusively for irrigation of crops by persons primarily engaged in raising farm crops.	ST-A1
(27) Sale of sugar to honey bee producers.	ST-A1

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EXEMPTIONS	EXEMPTION DOCUMENTATION
(28) Sale of cattle, hogs, sheep, horses, poultry, or bees for breeding purposes.	ST-A1
<p>(29) Sale of a specific type of Agricultural Machinery:</p> <p>Machinery and Equipment used in production of poultry and eggs;</p> <p>Machinery and Equipment used in hatching and breeding of poultry and breeding of livestock;</p> <p>Machinery and Equipment used in production, processing, and storage of milk for sale;</p> <p>Machinery and Equipment for use on a farm in the production of livestock;</p> <p>Machinery and Equipment used to harvest farm crops for feed for livestock;</p> <p>Machinery used directly in tilling soil or for animal husbandry;</p> <p>Rubber tired tractors and attachments for tractors sold to persons engaged primarily in producing farm crops for sale, and used exclusively in tilling, planting, cultivating, and harvesting;</p> <p>Machinery and equipment used to process onions; and</p> <p>Pecan sprayers, pecan shakers, and other equipment used to harvest pecans sold to person producing pecans for sale.</p> <p>NOTE: Farm crops are crops planted and harvested over a 12-month period. This does not include orchards, vineyards, or other types of commodities, which are not planted and harvested over a 12-month period. Harvesting ends with the cutting of the crop and does not extend beyond that point.</p>	<p>ST-A1</p> <p>ST-A1</p>
(29.1) Off-road equipment and related attachments used exclusively in site preparation, planting, cultivating or harvesting of timber by persons primarily engaged in growing or harvesting timber.	ST-A1

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(30) Vehicle purchased by a service-related handicapped veteran when the U.S. Department of Veterans Affairs supplies a grant to purchase the specially adapted vehicle.	ST-12 & ST-12A Purchaser applies for refund
(31) Sale of tangible personal property delivered to the purchaser outside Georgia.	Bill of Lading or ST-6
(32) Aircraft, watercraft, motor vehicles and other transportation equipment manufactured or assembled in this State for exclusive use outside Georgia when the purchaser takes possession in Georgia.	ST-5
(33) <b>COMMON OR COMMON AND CONTRACT CARRIERS:</b> Aircraft, watercraft, railroad locomotives and rolling stock, motor vehicles used principally to cross the state line to transport persons or cargo when purchased by common or common and contract carriers holding the same authority granted by the United States government. This exemption also extends to replacement of integral parts of the qualifying equipment.  <b>NOTE : Exemption does not apply to fluids or dunnage materials.</b>	ST-5
(33.1) Partial sales and use tax exemption for jet fuel purchased by a qualified airline. The exemption expires after two years and is only applicable to combined state and local taxes exceeding \$15 million per fiscal year beginning July 1, 2005. <i>The jet fuel tax exemption does not apply to the educational sales and use tax.</i>	Direct Payment Permit Holder

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<p>(34) Manufacturing machinery used directly in the manufacturing process of a product for sale under the following areas:</p> <p>New facility - Must apply for the exemption (Form ST-M1).</p> <p>Replacement machinery and components that upgrade replacement machinery will qualify for the exemption under the same conditions outlined in the regulation.</p> <p>Upgrade or Expansion – Machinery components that increase the production capacity of will qualify for the exemption.</p> <p>NOTE: Conveyors moving a product from two manufacturing points qualifies for the exemption. Molds, dies, chucks, and other tooling is exempt at one per position. Repair parts used to restore a machine to its original productive capacity are not eligible for this exemption.</p>	<p align="center">ST-M2 Certificate</p> <p align="center">ST-5 or ST-5M</p> <p align="center">ST-5M</p>
<p>(34.1) Machinery and Equipment used directly to handle, move, or store tangible personal property used in a new or expanded distribution or warehouse facility when the total purchase or expansion is \$5 million or more. To be eligible for this exemption, the distribution or warehouse facility may not have retail sales equal to or greater than 15 percent of the facilities total revenues. Application process is Form ST-WD1.</p>	<p align="center">ST-WD2 Certificate</p>
<p>(34.2) Machinery and equipment used directly to remanufacture aircraft engines or aircraft engine parts or components used in a remanufacturing facility that overhauls aircraft engines or aircraft engine components. Application process is Form ST-AR1.</p>	<p align="center">ST-AR2 Certificate</p>
<p>(34.3) Repair Parts for manufacturing machinery and Replacement Parts such as dies, molds, and other non-exempt parts that do not exceed \$150,000 per part are gradually exempt at 20% of the purchase price, per year, beginning on January 1, 2001. The exemption became 100% effective on January 1, 2005.</p>	<p align="center">ST-5M</p>

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(35) Industrial Materials & Packaging:	
1. Materials used for further processing into components of a finished product.	ST-5
2. Materials coated upon or impregnated into a product being manufactured for sale.	ST-5
3. Non-reusable materials used to bag or package products for sale or shipment.	ST-5
Industrial materials do not include any material used to heat, light, power, or refrigerate.	
(36) Machinery and equipment used in a facility for the primary purpose of reducing or eliminating environmental air and water pollution. Application process is Form ST-M7.	ST-M8 Exemption Certificate
(36.1) Machinery and equipment used for water conservation, which is incorporated into a qualified water conservation facility. Application process is Form ST-M7.	ST-M8 Exemption Certificate
(37) Machinery and equipment used in combating air and water pollution and any industrial materials used in a burning or recycling process which would otherwise lead to contributing to pollution. Application process is Form ST-M7.	ST-M8 Exemption Certificate
(38) Sale of tangible personal property and fees and charges for services by the Rock Eagle 4-H Center.	Letter of Authorization
(39) Sales by a school, consisting of any or all of grades Kindergarten through 12 of tangible personal property, concessions, and tickets for admission to a school function when the net proceeds benefit the school or its students.	Public School ST-5 Private School Letter of Authorization
(39.1) Cargo containers and related chassis used for storage or shipping by persons engaged in international shipment of tangible personal property.	ST-5
(40) Sale of major components or repair parts used for military aircraft, vehicles, or missiles.	None

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(41) Sale of tangible personal property to a nonprofit Child-caring institute, Child-placing agency, or Maternity Home. Also, thirty (30) days of fundraising activity. Application process is Form ST-CH1.	Letter of Authorization
(42) Leases of tangible personal property when the lessor and lessee are under 100 percent common ownership. The lessor must have paid applicable sales tax on the leased property at time of purchase.	None; Evidence of 100% common ownership
(43) Revenues from coin-operated amusement machines for which individual permits are required as provided for under Chapter 17 of this Title.	None
(44) Sale of a motor vehicle to a nonresident where the vehicle is immediately removed from Georgia and titled in another state.	ST-8
(45) The sale or use of paper stock when used to print catalogs for distribution outside Georgia.	None
(46) Sales of tangible personal property or taxable services to nonprofit Blood Banks.	Letter of Authorization
(47) Sales of drugs dispensed by prescription and prescription glasses and contact lens.  Note: This exemption does not include over-the-counter drugs, drugs sold for animal use or nonprescription eyeglasses.	Documentation of the prescription must be maintained.
(48) Sale of bait to commercial fisherman to catch crabs.	None
(49) Liquefied gases and other fuels used in chicken or other pullet houses or structures.	ST-A1
(50) Sales of blood measuring devices used by diabetics, insulin, and insulin syringes or blood glucose monitoring strips.	None
(51) Sales of oxygen when prescribed by a licensed physician.	Documentation of the prescription must be maintained
(52) Sales or use of hearing aids.	None



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Note: This exemption does not apply to the sale of replacement batteries.	
(53) Transactions where food stamps or WIC coupons are used as the method of payment.	Dealer must keep documentation.
(54) Sale or use of any durable medical equipment when paid for directly to the seller by the State of Georgia or the U. S. Government under Medicaid or Medicare programs.	Proof of Medicare or Medicaid payment
(54.1) Sale or use of any physician-prescribed prosthetic device as defined under Medicaid or Medicare programs.	None
(55) Sale of Georgia lottery tickets.	None
(56) Sales by any qualified nonprofit parent teacher organization. NOTE: Purchases made by a nonprofit parent teacher organization for use are subject to Georgia sales and use tax.	Letter of Authorization
(57) Sales of eligible food, for off-premises consumption, as defined under the Federal Food Stamp Program, are gradually exempt from State Tax and any local option tax imposed after October 1, 1996.  Local Tax: Homestead Tax (DeKalb & Rockdale County) is 100% exempt effective July 1, 1997. Taliaferro & Webster County Local Option Tax is 100% exempt effective October 1, 1998. Generally, the exemption applies to staple food products such as meat, poultry, baby food, candy, gum, vegetables, spices, and similar products.  Eligible food does not include sales by vending machines, hot foods, food prepared for immediate consumption, alcoholic beverages, tobacco products, plants to grow food, food purchased for use in a business, vitamins or minerals.	Documentation of the sale of eligible food and beverage is required to be kept by the dealer.  Documentation can include Z-Tapes or other kinds of proof that the product sold was eligible for the exemption.
(58) Sale or use of overhead materials used in government contracts that contain certain title passage clauses are gradually exempt from sales and use tax.	Direct Payment Authority
(59) Sales of eligible food and beverage for on - or off - premises consumption by any Girl or Boy Scout Council in connection with fundraising activities. NOTE: Purchases made for use by a Girl or Boy Scout Councils are subject to Georgia sales and use tax.	Letter of Authorization

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EXEMPTIONS	EXEMPTION DOCUMENTATION
(60) Sales of machinery and equipment used to improve air quality in a clean room of Class 100,000 or less when incorporated into a telecommunications facility.	ST-5M
(61) Advertising Inserts that are used in newspapers for sale.	ST-5
(62) Sod grass sold in the original state of production by the sod producer, employee of the sod producer, or a family member of the sod producer. <u>Note:</u> This exemption does not apply to sales from a nursery or other places where plants are sold.	None
(63) Funeral merchandise when paid with funds from the Georgia Crime Victims Emergency Fund.	Payment Documentation
(64) Sales of electricity or fuels for the operation of an irrigation system on a farm for crop irrigation.	ST-A1
(65) Sales of dyed diesel fuel used exclusively to operate vessels or boats by licensed commercial fisherman. Letter request with DNR Commercial Fisherman's License.	Letter of Authorization
(66) Sales of gold, silver, or platinum bullion.	Product Documentation
(67) Sales of coins or currency.	Product Documentation
(68) Sales of computer equipment when the total purchases by a High Technology Company in a calendar year are \$15 million or more. A High Technology Company must be classified under North American Industry Classification code 334413, 334611, 51121, 51331, 51333, 51334, 51421, 52232, 54133, 54171, 54172, 513321, 513322, 514191, 541511, 541512, 511513, or 511519. Application process is Form ST-CE1.	ST-CE2
(69) Sales of machinery and equipment and material incorporated and used in a clean room of Class 100 or less when used directly in the manufacture of tangible personal property.	ST-5M
(70) Sales of natural gas used directly in the manufacture of electricity. 4% State rate only.	Letter of Authorization
(71) Sales to or by an organization whose primary purpose is to raise funds for books, materials, and programs for public libraries when qualifying as nonprofit by the Internal	Letter of Authorization

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Revenue Service.	
(72) Sales of wheelchairs and attachments for wheelchairs when sold to permanently disabled individuals.	Disability Documentation
(73) Sales of production equipment to film producers and film production companies used who produce the film for nationwide distribution. Application Process is through ST-PE1 and Certification from the Georgia Film Industry Office.	ST-PE2
(74) Sales of digital broadcast equipment to commercial radio or television stations, networks and cable distributors. This exemption ended on November 1, 2004 for all but radio broadcasters. Application Process is ST-BE1.	ST-BE2
(75) Sales Tax Holiday – July 28 - 31, 2005 – Clothing \$100 or less per item, Computer Equipment and Accessories – Single purchase \$1,500 or less – School Supplies including children’s books – \$20 or less per item.	Product Documentation
(76) Purchases by a Nonprofit Aquarium Owner and Operator & Materials used to construct the Aquarium. Exemption ceases on January 1, 2007.	Letter of Authorization
(77) Liquefied gases and other fuels used in structures where plants, floral products, seedlings, and nursery stock are grown for sale. Must be separately metered.	ST-A1
(78) Materials used to construct a new symphony hall costing \$200 million or more that is owned and operated by a nonprofit organization. Exemption ceases September 1, 2009.	Letter of Authorization
(79) Ice used to chill poultry or vegetables during processing or shipment.	ST-5
(80) Materials used to construct an eligible corporate attraction that is dedicated to all aspects of the history and products of the corporation, costs at least \$50 million and has 60,000 square feet of parking. Exemption ceases December 31, 2007.	Letter of Authorization

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(81) A four-day (October 6-9, 2005) sales and use tax exemption for the purchase of noncommercial home or personal use energy efficient products (specifically, any dishwasher, clothes washer, air conditioner, ceiling fan, incandescent or fluorescent light bulb, dehumidifier, programmable thermostat, or refrigerator) with a sales price of \$1,500 or less per item. To qualify, the product purchased must have been designated by the U. S. Environmental Protection Agency and the U. S. Department of Energy as meeting or exceeding the requirements of each agency's <i>Energy Star</i> program. This exemption does not extend to any purchases for trade, business, or resale. Further, it does <i>not</i> apply to local sales or use taxes, or to the purchase of furnaces or clothes dryers.	Letter of Authorization
(82) The purchase of food and non-alcoholic beverages provided at no charge aboard a qualified airline.	ST-5